

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE BEHAVIORAL HEALTH ADMINISTRATION, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Prime Sponsors: Reps. Young and Pelton  
Sens. Lee and Simpson

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**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**General Fund Impact**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/04/22.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House amended the bill through the Appropriations Committee Report (04/08/22) and on second reading (04/11/22). The Senate Health & Human Services Committee Report (04/27/22) also includes amendments to the bill. However, Legislative Council Staff and JBC Staff agree that the amendments adopted after the revised fiscal note was prepared do not change the fiscal impact of the bill.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.003	Staff-prepared appropriation amendment
L.042/J.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause making appropriations to five departments. In total, after accounting for movements of funds between departments, this provision results in a net increase of

## HB22-1278

## JBC Staff Analysis

\$12,679,200 total funds for FY 2022-23, including \$3,931,361 General Fund, \$142,766 cash funds from the Division of Insurance Cash Fund, \$8,358,674 reappropriated funds that originate as federal funds in the Department of Human Services that are reappropriated to the Department of Public Health and Environment, and \$246,399 federal funds. This provision also states that the appropriations are based on the assumption that an additional 33.2 FTE will be required statewide. The following table summarizes the net changes in each affected department.

H.B. 22-1278 NET CHANGE IN APPROPRIATIONS BY DEPARTMENT						
DEPARTMENT	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Human Services	\$3,070,631	\$3,661,128	(\$590,497)	\$0	\$0	14.7
Law	177,426	0	0	177,426	0	1.0
Public Health and Environment	8,795,579	23,834	590,497	8,181,248	0	11.0
Health Care Policy and Financing	492,798	246,399	0	0	246,399	4.5
Regulatory Agencies	142,766	0	142,766	0	0	2.0
<b>TOTAL</b>	<b>\$12,679,200</b>	<b>\$3,931,361</b>	<b>\$142,766</b>	<b>\$8,358,674</b>	<b>\$246,399</b>	<b>33.2</b>

However, the existing appropriation clause requires two technical corrections: (1) an addition of \$90 General Fund to the Department of Public Health and Environment to correct the movement of General Fund associated with prevention programs from the Department of Human Services to the Department of Public Health and Environment; and (2) a "net-zero" movement of \$18,127 cash funds from the Marijuana Tax Cash Fund from the Department of Human Services to the Department of Public Health and Environment.

### Description of Amendments in This Packet

**J.003** Staff has prepared amendment **J.003** (attached) to make two technical corrections to the existing clause. The changes: (1) increase the General Fund appropriations to the Department of Public Health and Environment by \$90 to correctly align with related reductions in the Department of Human Services (associated with the transfer of prevention programming to the Department of Public Health and Environment); and (2) move a total of \$18,127 cash funds from the Marijuana Tax Cash Fund from the Department of Human Services to the Department of Public Health and Environment. The appropriations are for centrally appropriated amounts (employee insurance and supplemental PERA contributions) and are associated with an FTE that is transferring to the Department of Public Health and Environment with the movement of prevention programs.

### L.042 and J.004

Bill Sponsor amendment **L.042** (attached) eliminates the authorization for the Opioid and Other Substance Use Disorders Study Committee to meet during the 2022 legislative interim, effectively "pausing" the committee for the year. The amendment would authorize the committee to meet again in the 2023 and 2025 interims. Legislative Council Staff and JBC Staff agree that the amendment reduces the FY 2022-23 appropriation required by the Legislative Department by a total of \$51,948 General Fund, which is based on an assumption that the total FTE required for the year will decrease by 0.5 FTE. Staff has prepared

amendment **J.004** (attached) to make all of the adjustments from amendment J.003 (discussed above) as well as the reductions associated with amendment L.042.

**The Committee should adopt either amendment J.003 or the combination of L.042 and J.004. It should not adopt any other combination of amendments.**

### **Points to Consider**

#### *General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package leaves \$1.5 million over the fiscal year-end General Fund reserve requirement in addition to \$40.0 million set-aside for other legislation.

- The JBC has included as part of its FY 2022-23 budget package a total General Fund impact of \$4,649,893 associated with this bill, including: \$3,894,052 in appropriations, \$584,108 in required reserves for those appropriations, and a revenue reduction of \$171,733 associated with the diversion of General Fund revenues to the Division of Insurance Cash Fund in the Department of Regulatory Agencies.
- With the General Fund Adjustment in either amendment J.003 or amendment J.004, the total General Fund impact of the bill in FY 2022-23 is \$4,663,936, including: \$3,931,452 in appropriations, \$589,718 in associated reserves, and a revenue reduction of \$142,766. In total, the impact is \$14,043 more than the amount assumed in the budget package.
- As a result, the bill would decrease the excess reserve amount by \$14,043 or the \$40.0 million set-aside by \$12,211 (accounting for the 15.0 percent reserve).